

LINDA LINGLE
GOVERNOR



CARLITO P. CALIBOSO
CHAIRMAN

JOHN E. COLE
COMMISSIONER

LESLIE H. KONDO
COMMISSIONER

STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

Telephone: (808) 586-2020
Facsimile: (808) 586-2066

e-mail: Hawaii.PUC@hawaii.gov

August 26, 2008

P.A. Nicholas
Molokai Public Utilities, Inc.
Wai'ola O Moloka'i, Inc.
MOSCO, Inc.
Molokai Properties Limited
745 Fort Street Mall, Suite 600
Honolulu, HI 96813

Re: Docket No. 2008-0115 – In Re. Molokai Public Utilities, Inc., Wai'ola O Moloka'i, Inc.,
and MOSCO, Inc. for Temporary Rate Relief

Dear Mr. Nicholas:

By order issued on August 14, 2008, the Commission approved temporary rate increases for Molokai Public Utilities, Inc. ("MPU") and Wai'ola O Moloka'i, Inc. ("Wai'ola"). That order, among other things, directed MPU and Wai'ola to promptly file revised tariff sheets with the Commission that reflect the temporary rate increases approved in the order. To date, MPU and Wai'ola have not filed revised tariff sheets with the Commission.

By prior order issued on June 16, 2008, the Commission ordered MPU, Wai'ola, and MOSCO, Inc. (collectively, "Utilities") to "continue to provide utility services unless and until the commission approves a transfer or surrender of their [Certificates of Public Convenience and Necessity] to a public or private third party, or otherwise ordered by the commission." The last representation that the Commission received from the Utilities and Molokai Properties Limited ("MPL") was that they intended to shutdown utility services by the end of August 2008. In a letter dated May 30, 2008, the Utilities stated:

We are therefore sending this letter to provide notice to the Commission, the County of Maui, the State of Hawaii and the customers of Wai'ola and MPU that, unless some public or private entity is located to take over the operations of these three companies by the end of August, there will probably be an unavoidable termination of services to those customers.¹

¹Letter dated May 30, 2008, from the Utilities to the Commission, at 2.

P.A. Nicholas
August 26, 2008
Page 2

The Commission expects the Utilities to continue operations, pursuant to the Commission's orders. **Please confirm by the close of business on Thursday, August 28, 2008, that the Utilities will continue to provide utility services after August 31, 2008, pursuant to the Commission's orders discussed above.** The Commission will consider sanctions should the Utilities ignore or otherwise disregard the Commission's orders, including civil penalties of up to \$25,000 per Utility per day. In light of the State of Hawaii Department of Health's ("DOH") determination that MPL controls, and is the alter ego of, the Utilities, MPL may be responsible for any sanctions imposed by the Commission against the Utilities.

Moreover, if MPU and Wai'ola intend to continue to provide utility service at the increased rates approved by the Commission in its August 14, 2008 order, then MPU and Wai'ola are directed to file their revised tariffs by September 1, 2008.

Please contact Kaiulani Kidani Shinsato, Commission Counsel, at (808)586-2019 if you have any questions.

Sincerely,



Carlito P. Caliboso
Chairman

CC:KKS:laa

- c. Consumer Advocate
Brian T. Moto, Esq./Jane E. Lovell, Esq.
Margery S. Bronster, Esq.